PENSIONS
INVESTMENTS
LIFE INSURANCE

Irish Life

PERSONAL SHAREHOLDER PROTECTION – OWN LIFE IN TRUST

How is the arrangement taxed?

Taxation of Plan Benefits

Capital Gains Tax (CGT)

- CGT will **NOT** apply.
- The proceeds of the personal shareholder protection arrangement payable on death are not liable to CGT under current legislation.

Inheritance Tax (CAT)

- Inheritance Tax will **NOT** apply.
- On death the proceeds of the plan are paid to the trustee(s) of the plan for the benefit of the surviving shareholders who are also party to the agreement. Revenue have clarified that the proceeds of such a plan are exempt from Inheritance Tax in the hands of surviving shareholders, where they use the proceeds to purchase the deceased's shareholding.

Sale of the share in the partnership by the deceased's personal representatives

Capital Gains Tax (CGT)

- The proceeds from the sale of the share in the company **would be liable** to CGT in the hands of the personal representatives of the deceased. However a liability to tax would only arise on any increase in the value of the business from the date of death to the date of sale and, as such, is likely to be small. This should be set out in the legal agreement.

Inheritance Tax (CAT)

- The value received for the deceased shareholders share in the business could give rise to an inheritance tax liability for the deceased's family. As they are selling the share in the business 'Business Relief' from CAT **will not** apply.

Irish Life Assurance plc is regulated by the Central Bank of Ireland.
Irish Life Assurance plc, Registered in Ireland number 152576, Vat number 9F55923G. LAS (02/18)